

State of Arizona  
Senate  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 238

**SENATE BILL 1177**

AN ACT

AMENDING SECTION 49-542.05, ARIZONA REVISED STATUTES; AMENDING SECTION 49-551, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 241, SECTION 31 AND CHAPTER 260, SECTION 17; REPEALING SECTION 49-551, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 296, SECTION 5; REPEALING TITLE 49, CHAPTER 3, ARTICLE 6, ARIZONA REVISED STATUTES; RELATING TO AIR QUALITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 49-542.05, Arizona Revised Statutes, is amended to  
3 read:

4 49-542.05. Alternative fuel vehicles

5 A. EXCEPT FOR A VEHICLE FUELED BY HYDROGEN, THE FOLLOWING APPLY:

6 1. EACH ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL VEHICLE THAT  
7 IS REGISTERED IN OR USED TO COMMUTE INTO AREA A OR AREA B PURSUANT TO SECTION  
8 49-542, SUBSECTION A IS SUBJECT TO THE EMISSIONS INSPECTION REQUIREMENTS  
9 PRESCRIBED IN THIS ARTICLE INCLUDING SUBSECTION C OF THIS SECTION.

10 2. ~~Each alternative fuel vehicle, except for vehicles fueled by~~  
11 ~~hydrogen, as defined in section 43-1086~~ THAT IS NOT AN ORIGINAL EQUIPMENT  
12 MANUFACTURED ALTERNATIVE FUEL VEHICLE AND that is registered in or used to  
13 commute into area A or area B pursuant to section 49-542, subsection A is  
14 subject to the emissions inspection requirements prescribed in this article  
15 and EXCEPT THAT THE PROVISIONS OF SECTION 49-543, SUBSECTION B DO NOT APPLY.

16 B. EXCEPT FOR A VEHICLE FUELED BY HYDROGEN, FOR EACH VEHICLE THAT IS  
17 REGISTERED IN OR USED TO COMMUTE INTO AREA A OR AREA B AS PRESCRIBED BY  
18 SECTION 49-542, SUBSECTION A AND THAT IS EITHER AN ORIGINAL EQUIPMENT  
19 MANUFACTURED ALTERNATIVE FUEL VEHICLE OR AN ALTERNATIVE FUEL VEHICLE THAT IS  
20 NOT AN ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL VEHICLE, THE VEHICLE  
21 shall be tested before the vehicle is registered in this state as an  
22 alternative fuel vehicle both while operating on gasoline and while operating  
23 on alternative fuel, if applicable. In THE FOURTH REGISTRATION YEAR AND IN  
24 subsequent years, the vehicle shall be tested both while operating on  
25 gasoline and while operating on alternative fuel, if applicable, pursuant to  
26 the requirements of section 49-542.

27 C. FOR ALL EMISSIONS INSPECTIONS BEFORE THE FOURTH REGISTRATION YEAR  
28 AFTER PURCHASE OR LEASE OF A NEW ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE  
29 FUEL VEHICLE, THE OWNER OF THE VEHICLE SHALL DO ONE OF THE FOLLOWING:

30 1. HAVE THE VEHICLE INSPECTED PURSUANT TO THIS ARTICLE.

31 2. PAY A TWENTY-FIVE DOLLAR FEE IN AREA A AND A NINE DOLLAR FEE IN  
32 AREA B. THE OWNER SHALL PAY THIS FEE TOGETHER WITH THE REGISTRATION FEE FOR  
33 THE VEHICLE TO THE REGISTERING OFFICER. THE REGISTERING OFFICER SHALL  
34 DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, THESE FEES IN THE AIR  
35 QUALITY FUND ESTABLISHED BY SECTION 49-551. THE REGISTERING OFFICER MAY  
36 ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH ANOTHER DEPARTMENT OF THIS  
37 STATE TO COLLECT AND DEPOSIT THE FEE. AN OWNER WHO CHOOSES TO HAVE AN  
38 EMISSIONS INSPECTION PURSUANT TO THIS ARTICLE IS NOT REQUIRED TO PAY THE FEE  
39 PRESCRIBED IN THIS PARAGRAPH FOR THAT EMISSIONS TEST CYCLE.

40 D. THE REGISTRATION RENEWAL NOTICE REQUIRED FOR THE SECOND AND THIRD  
41 REGISTRATION YEAR OF A NEW ORIGINAL EQUIPMENT MANUFACTURED ALTERNATIVE FUEL  
42 VEHICLE SHALL INCLUDE A NOTICE TO THE VEHICLE OWNER THAT EVEN THOUGH AN  
43 EMISSIONS INSPECTION TEST IS NOT REQUIRED PURSUANT TO SUBSECTION B OF THIS  
44 SECTION THE OWNER MAY CHOOSE TO HAVE AN EMISSIONS INSPECTION BECAUSE OF

1 VEHICLE EMISSIONS PERFORMANCE WARRANTY LIMITATIONS ON EMISSIONS COMPONENTS  
2 OF THE VEHICLE.

3 ~~B.~~ E. The department of environmental quality shall compile and  
4 maintain data regarding the results of emissions inspections of all  
5 alternative fuel vehicles pursuant to this article.

6 Sec. 2. Section 49-551, Arizona Revised Statutes, as amended by Laws  
7 2002, chapter 241, section 31 and chapter 260, section 17, is amended to  
8 read:

9 49-551. Air quality fee; air quality fund; purpose

10 A. Every person who is required to register a motor vehicle in this  
11 state pursuant to section 28-2153 shall pay, in addition to the registration  
12 fee, an annual air quality fee at the time of vehicle registration of one  
13 dollar fifty cents. Unless and until the United States environmental  
14 protection agency grants a waiver for diesel fuel pursuant to section  
15 211(c)(4) of the clean air act, every person who is required to register a  
16 diesel powered motor vehicle in this state with a declared gross weight as  
17 defined in section 28-5431 of more than eight thousand five hundred pounds  
18 and every person who is subject to an apportioned fee for diesel powered  
19 motor vehicles collected pursuant to title 28, chapter 7, articles 7 and 8  
20 shall pay an additional apportioned diesel fee of ten dollars.

21 B. The registering officer shall collect the fees and immediately  
22 deposit, pursuant to sections 35-146 and 35-147, the air quality fees in the  
23 air quality fund established pursuant to subsection C of this section and  
24 shall deposit the diesel fees in the voluntary vehicle repair and retrofit  
25 program fund established pursuant to section 49-474.03.

26 C. An air quality fund is established consisting of monies received  
27 pursuant to this section, SECTION 49-542.05, SECTION 49-543, gifts, grants  
28 and donations, and monies appropriated by the legislature. The department  
29 of environmental quality shall administer the fund. ~~Monies appropriated for~~  
30 ~~purposes prescribed by paragraph 5 of this subsection and gifts, grants and~~  
31 ~~donations designated for purposes prescribed by paragraph 5 of this~~  
32 ~~subsection shall be accounted for in one separate account within the fund.~~  
33 MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING  
34 TO THE LAPSING OF APPROPRIATIONS. INTEREST EARNED ON MONIES IN THE FUND  
35 SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND THAT ARE RECEIVED PURSUANT  
36 TO SECTION 49-543 SHALL BE PLACED IN A SEPARATE ACCOUNT AND SHALL ONLY BE  
37 USED FOR THOSE PURPOSES THAT ARE PRESCRIBED IN SUBSECTION F OF THIS SECTION  
38 OR SECTION 49-551.01. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION,  
39 monies in the air quality fund shall be used, subject to legislative  
40 appropriation, for:

41 1. Air quality research, experiments and programs conducted by or for  
42 the department for the purpose of bringing area A or area B into OR  
43 MAINTAINING AREA A OR AREA B IN attainment status, improving air quality in  
44 areas of this state outside area A or area B and reducing ~~levels of~~  
45 ~~particulate and ozone pollution both inside and outside of vehicle emissions~~

1 ~~control areas of this state EMISSIONS OF PARTICULATE MATTER, CARBON MONOXIDE,~~  
2 ~~OXIDES OF NITROGEN, VOLATILE ORGANIC COMPOUNDS AND HAZARDOUS AIR POLLUTANTS~~  
3 ~~THROUGHOUT THE STATE.~~

4 ~~2. Determining the cause of visual MONITORING VISIBLE AIR POLLUTION~~  
5 ~~AND DEVELOPING AND IMPLEMENTING PROGRAMS TO REDUCE EMISSIONS OF POLLUTANTS~~  
6 ~~THAT CONTRIBUTE TO VISIBLE air pollution in counties with a population of~~  
7 ~~four hundred thousand persons or more.~~

8 ~~3. Conducting the hazardous air pollutants research program and~~  
9 ~~preparing the report as prescribed by section 49-426.08.~~

10 ~~4. 3. Developing and adopting rules in compliance with sections~~  
11 ~~49-426.03, 49-426.04, 49-426.05 and 49-426.06.~~

12 ~~5. Conducting a public education program to reduce emissions of ozone~~  
13 ~~forming substances in cooperation with Maricopa county and other affected~~  
14 ~~parties, including private industries. To the extent possible, this program~~  
15 ~~shall be coordinated with other public and private efforts to increase public~~  
16 ~~awareness of air quality issues. In addition, the department shall~~  
17 ~~accelerate pollution prevention technical assistance efforts pursuant to~~  
18 ~~section 49-965, subsection A, paragraph 6. The department shall identify~~  
19 ~~sources that emit ozone forming substances and shall establish a~~  
20 ~~clearinghouse for information on the supply of products that may be used to~~  
21 ~~substitute for substances that contribute to ozone formation.~~

22 ~~D. No disbursement or expenditure of monies in the air quality fund~~  
23 ~~may be made for any purposes other than those set forth in subsections C, E~~  
24 ~~and G of this section.~~

25 ~~E. D. The department of environmental quality shall transfer four~~  
26 ~~hundred thousand dollars from the air quality fund to the department of~~  
27 ~~administration for the purposes prescribed by section 49-588 in eight~~  
28 ~~installments in each of the first eight months of a fiscal year.~~

29 ~~F. E. This section does not apply to an electrically powered golf~~  
30 ~~cart or an electrically powered vehicle.~~

31 ~~G. Monies in the fund do not revert to the general fund. The~~  
32 ~~department may make grants to a regional planning agency, county, city or~~  
33 ~~town located within a vehicle emissions control area or areas which have~~  
34 ~~achieved maintenance status for the purpose of air quality research or~~  
35 ~~implementation of programs designed to accomplish the purposes of this~~  
36 ~~section.~~

37 ~~F. THE DISBURSEMENT OF MONIES FOR AIR QUALITY CONTROL PROGRAMS AND~~  
38 ~~MEASURES FROM THE MONIES RECEIVED PURSUANT TO SECTION 49-543 SHALL BE~~  
39 ~~PURSUANT TO THIS SUBSECTION. THE MONIES SHALL BE USED FOR PROGRAMS AND~~  
40 ~~MEASURES IN COUNTIES THAT CONTAIN A PORTION OF AREA A OR AREA B. THE~~  
41 ~~DEPARTMENT MAY USE UP TO FIVE PER CENT OF THE ANNUAL REVENUES FOR THE COSTS~~  
42 ~~OF ADMINISTRATION. THE BALANCE SHALL BE USED FOR FUNDING THE FOLLOWING:~~

43 ~~1. A VOLUNTARY LAWN AND GARDEN EQUIPMENT EMISSIONS REDUCTION PROGRAM~~  
44 ~~ESTABLISHED PURSUANT TO SECTION 49-474.02. FIVE PER CENT OF THE MONIES SHALL~~  
45 ~~BE USED FOR THIS PURPOSE.~~

1           2. A VOLUNTARY VEHICLE REPAIR AND RETROFIT PROGRAM ESTABLISHED  
2 PURSUANT TO SECTION 49-474.03. FIFTEEN PER CENT OF THE MONIES SHALL BE USED  
3 FOR THIS PURPOSE.

4           3. THE DIESEL VEHICLE LOW EMISSIONS INCENTIVE GRANT PROGRAM  
5 ESTABLISHED BY SECTION 49-551.01. THIRTY PER CENT OF THE MONIES SHALL BE  
6 USED FOR THIS PURPOSE. GRANTS FOR FUELS SHALL NOT EXCEED THE INCREMENTAL  
7 COST DIFFERENTIAL FROM CONVENTIONAL DIESEL FUEL, EXCLUDING TAXES.

8           4. THE VOLUNTARY ACCELERATED PURCHASE OF TIER 2 AND TIER 3 EQUIPMENT  
9 DESCRIBED IN SECTION 49-558. GRANT FUNDING SHALL NOT EXCEED ONE-HALF OF THE  
10 INCREMENTAL COST DIFFERENCE BETWEEN THE INITIAL CAPITAL COST OF TIER 2 AND  
11 TIER 3 EQUIPMENT AND CONVENTIONAL DIESEL EQUIPMENT. TEN PER CENT OF THE  
12 MONIES SHALL BE USED FOR THIS PURPOSE.

13           5. FIFTEEN PER CENT FOR MAKING GRANTS TO FUND THE FOLLOWING  
14 ACTIVITIES:

15           (a) A TRAVEL REDUCTION ORDINANCE PROGRAM.

16           (b) A VOLUNTARY NO DRIVE DAY PROGRAM.

17           6. ANY OTHER MEASURES OR PROGRAMS THAT HAVE BEEN EVALUATED BY THE  
18 DEPARTMENT. THE EVALUATION SHALL INCLUDE AT LEAST A REVIEW AND ASSESSMENT  
19 OF THE HEALTH AND ENVIRONMENTAL IMPACTS OF THE MEASURES OR PROGRAMS. THE  
20 DEPARTMENT MAY EVALUATE MEASURES OR PROGRAMS ADOPTED BY OTHER JURISDICTIONS.  
21 TWENTY-FIVE PER CENT OF THE MONIES SHALL BE USED FOR THIS PURPOSE. THE  
22 DEPARTMENT MAY MAKE GRANTS FOR THE PURPOSES OF THIS PARAGRAPH.

23           7. IF THE AMOUNT OF MONIES AUTHORIZED PURSUANT TO PARAGRAPHS 1 THROUGH  
24 6 OF THIS SUBSECTION HAVE NOT BEEN EXPENDED OR ENCUMBERED IN ANY FISCAL YEAR,  
25 THE AMOUNT SHALL BE USED FOR FUNDING ANY OF THE PURPOSES DESCRIBED IN THIS  
26 SUBSECTION.

27           G. THE ANNUAL REPORT OF THE DEPARTMENT SHALL INCLUDE A SECTION ON THE  
28 GRANTS AWARDED PURSUANT TO SUBSECTION F OF THIS SECTION.

29           Sec. 3. Repeal

30           Section 49-551, Arizona Revised Statutes, as amended by Laws 2002,  
31 chapter 296, section 5, is repealed.

32           Sec. 4. Repeal

33           Title 49, chapter 3, article 6, Arizona Revised Statutes, is repealed.

APPROVED BY THE GOVERNOR MAY 19, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2003.

Passed the House April 16, 20 03

by the following vote: 44 Ayes,

12 Nays, 4 Not Voting

Jake Flake  
Speaker of the House

Speman L. Fyore  
Chief Clerk of the House

Passed the Senate February 13, 20 03

by the following vote: 28 Ayes,

1 Nays, 1 Not Voting

Ken Blumett  
President of the Senate

Charmian Ballington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20  ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20  ,

at            o'clock            M.

            
Governor of Arizona

S.B. 1177

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20  ,

at            o'clock            M.

            
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate May 13, 2003

by the following vote: 27 Ayes,

0 Nays, 3 Not Voting

Klu Bennett  
President of the Senate  
Channing Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13 day of May, 2003

at 3:26 o'clock P M.

Jandre Camusey  
Secretary to the Governor

Approved this 19 day of

May, 2003,

at 4<sup>20</sup> o'clock P M.

Jan Nagel  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 20 day of May, 2003,

at 10:53 o'clock A M.

Janice K. Brown  
Secretary of State

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